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August 18, 2004

# VIA COURIER

COLARS OF COOP ( DETAILS)

Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

Joint Application of 360networks (USA) inc. and BCE Nexxia Corporation for Section 214 Authority to Transfer Control of GT Group Telecom (USA) LLC, an Authorized U.S. International and Domestic Communications Common Carrier

Dear Ms. Dortch:

Re:

On behalf of 360networks (USA) inc. ("360networks") and BCE Nexxia Corporation ("BCE Nexxia"), enclosed please find an original and six (6) copies of an application for Section 214 authority to transfer control of GT Group Telecom (USA) LLC, from 360networks to BCE Nexxia.

Also enclosed is a completed Fee Remittance Form 159 containing a valid VISA credit card number and expiration date for payment, in the amount of \$895.00, to the Federal Communications Commission, which satisfies the filing fee required for this Application under line 2.b of Section 1.1105 of the Commission's rules.

Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined international section 214 transfer of control application and domestic section 214 transfer of control application ("Combined Application"). Applicants are simultaneously filing the Combined Application with the International Bureau, in accordance with the Commission's rules.

Ms. Marlene H. Dortch, Secretary August 18, 2004 Page 2

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

Jean L. Kiddoo Troy F. Tanner Grace R. Chiu

Counsel for 360networks (USA) inc.

# Enclosures

cc (via email):

William Dever (WCB)
Julie Veach (WCB)
Tracey Wilson (WCB)
Gregory C. Staple (V&E)
R. Edward Price (V&E)
Lin Gentemann (360)

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	
GT Group Telecom Services (USA) Corp., Assignor,	
and )	
GT Group Telecom (USA) LLC, Assignee	
Notification of a <i>Pro Forma</i> Assignment of International Section 214 Authority and Assets )	
360networks (USA) inc., Transferor,	
and )	File No. ITC-T/C-2004 WCB Docket No. 04
BCE Nexxia Corporation, ) Transferee )	., 65 56.61, 1.6. 61
Application For Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, For the Transfer of Control of GT Group Telecom (USA) LLC, an Authorized U.S. International and Domestic Communications Common Carrier	

# NOTIFICATION OF A PRO FORMA ASSIGNMENT AND JOINT APPLICATION FOR A TRANSFER OF CONTROL OF DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORIZATIONS

# I. INTRODUCTION

# A. Summary of Transaction

GT Group Telecom Services (USA) Corp. ("GT Corp." or "Assignor"), by its

undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.24(e) of the Commission's rules, hereby notifies the Commission of a proposed *pro forma* assignment of GT Corp.'s international Section 214 authority to its sister company, GT Group Telecom (USA) LLC ("GT LLC" or "Assignee").

In addition, 360networks (USA) inc. ("360networks" or "Transferor") and BCE Nexxia Corporation ("BCE Nexxia" or "Transferee"), by their undersigned counsel, and pursuant to Section 214 of the Act and Sections 63.24(e) and 63.04(b), hereby apply for authority for the subsequent transfer of control of GT LLC from 360networks to BCE Nexxia. (The Transferor and the Transferee are hereinafter collectively referred to as the "Applicants").

This notification and application arise from the following proposed transaction. Bell Canada, which indirectly owns 100% of BCE Nexxia, has entered into an agreement with 360networks Corporation, the ultimate parent company of 360networks, GT Corp. and GT LLC, pursuant to which 360networks and GT Corp. will assign to GT LLC certain assets, including equipment, domestic and international services customers, and GT Corp.'s FCC international Section 214 authorization necessary to provide the international services.

360networks will hold a majority interest in GT LLC, and GT Corp. will hold the remaining minority interest. BCE Nexxia will then acquire from 360networks and GT Corp. all of the

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214 (the "Act").

<sup>&</sup>lt;sup>2</sup> 47 C.F.R. §§ 63.24(e), 63.04(b).

<sup>&</sup>lt;sup>3</sup> FCC File No. ITC-214-20000602-00324.

Applicants recognize pursuant to Sections 63.03(d) and 63.24 of the Commission's rules, 47 C.F.R. §§ 63.03(d) and 63.24, formal approval of the *pro forma* assignment aspect of this transaction is not required. However, as it is an integral part of the entire transaction for which approval is sought, the Applicants include its description here, but do not enclose a processing fee for this part of the transaction.

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. §§ 63.24(e), 63.04(b).

limited liability company interests of GT LLC. As a result of this transaction, GT LLC will become a wholly owned subsidiary of BCE Nexxia.

#### B. Request for Expedited Consideration

The proposed U.S. transaction described above is a part of a larger transaction through which Bell Canada is acquiring substantially all of the Canadian operations of 360networks Corporation. Only a small part of 360networks Corporation's U.S. operations are involved in this transaction. The U.S. operations to be acquired by BCE Nexxia are largely comprised of certain U.S.-Canada transmission facilities and related U.S. domestic connecting circuits to associated U.S. points of presence ("POPs"). These facilities are used primarily by 360networks and GT Corp. to provide cross-border services to customers located in Canada, although there is a small number of U.S. customers that receive service on the domestic links.

Canadian regulatory approval for the proposed transaction is expected by the end of September 2004. The parties respectfully request that the Commission also approve this Application expeditiously so that the proposed transaction can be promptly consummated.

# C. Joint Application is Eligible for Streamlined Processing

The Applicants respectfully submit that this Joint Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's rules. With respect to the domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions: (1) the Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) the Applicants and their Affiliates do not provide U.S. local exchange services, and; (3) none of the Applicants or

<sup>6 47</sup> C.F.R. §§ 63.03 & 63.12.

their Affiliates are dominant with respect to any U.S. domestic service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(c)(1)(v) of the Commission's rules. Although the Transferee's intermediate corporate parent, Bell Canada, is an incumbent local exchange carrier in Canada, and therefore presumed to possess market power, Canada is a WTO Member country and the Applicants agree to have GT LLC be classified as a dominant carrier on the U.S.-Canada route, without prejudice to its right to petition for reclassification at a later date.

In support of this Joint Application, the Applicants provide the following information:

#### II. DESCRIPTION OF THE TRANSACTION

On May 25, 2004, 360networks Corporation (the ultimate corporate parent of 360networks and GT Corp.) and certain affiliates agreed to sell substantially all of their Canadian assets, including GT Corp., to Bell Canada. As part of the transaction, Bell Canada also agreed to purchase selected northern U.S. interconnection assets and related liabilities. Accordingly, on August 11, 2004, Bell Canada and 360networks Corporation and its whollyowned U.S. subsidiaries, 360networks, GT Corp. and certain other affiliates, executed a U.S. purchase agreement (the "Purchase Agreement"), whereby: (i) in connection with the Purchase Agreement, prior to closing 360networks and GT Corp. will assign on a pro forma basis to GT LLC certain assets related to their U.S.-Canada interconnection operations that utilize POPs in New York, Massachusetts, Michigan, Illinois, Minnesota, Montana and Washington, including fiber optic facilities, customer accounts and GT Corp.'s international Section 214 authorization; (ii) in consideration for the pro forma assignment of these assets, 360networks will hold a majority, and GT Corp. a minority, of the limited liability interests of GT LLC; and (iii) at

<sup>&</sup>lt;sup>7</sup> 47 C.F.R. § 63.12(c)(1)(v).

closing 360networks and GT Corp. will sell and Bell Canada will purchase all of the limited liability company interests of GT LLC. On August 12, 2004, Bell Canada assigned all of its rights and obligations under the Purchase Agreement to BCE Nexxia.

#### III. PUBLIC INTEREST STATEMENT

The assignment of certain assets from 360networks and GT Corp. to GT LLC, including GT Corp.'s international Section 214 authorization, and the subsequent transfer of control of GT LLC from 360networks to BCE Nexxia, as described herein, is in the public interest because it will strengthen the ability of BCE Nexxia to compete on the U.S.—Canada route by increasing the scope of its net worth and customer base. Likewise, the financial consideration which the Transferor will realize under the proposed transaction will increase 360networks' ability to compete in the U.S. domestic market.

The transaction is pro-competitive in Canada as well. Bell Canada has already agreed to assign retail customer contracts in eastern Canada to an unrelated third party subsequent to the closing of the Canadian transaction. In western Canada, where Bell Canada is non-dominant in all product markets, the acquisition of facilities will strengthen Bell Canada's ability to compete in that market.

# IV. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e) of the Commission's rules, in support of this application the Applicants submit the following information from Section 63.18(a)—(d) for all of the Applicants, and from Section 63.18(h)—(p) for the Transferee:

# Section 63.18 (Applicants) -

# (a) Name, address and telephone number of each Applicant:

Assignors and Transferors

360networks (USA) inc. FRN: 0006213185

2401 4th Avenue, 11th Floor

Seattle, WA 98121

Telephone: 206-239-4360

Facsimile: 206-239-4365

GT Group Telecom Services (USA) Corp. FRN: 0008049033

2401 4th Avenue, 11th Floor

Seattle, WA 98121

Telephone: 206-239-4360 Facsimile: 206-239-4365

**Assignee** 

GT Group Telecom (USA) LLC FRN: 0011387776

2401 4th Avenue, 11th Floor

Seattle, WA 98121

Telephone: 206-239-4360 Facsimile: 206-239-4365

**Transferee** 

BCE Nexxia Corporation FRN: 0008278376

1000 de la Gauchetiere Ouest, Suite 3700

Montréal, Que. H3B 4Y7

Canada

Telephone: 514-870-4637

Facsimile: 514-870-4877

# (b) Jurisdiction of Organizations:

360networks (USA) inc. is a corporation organized and existing under the laws of Nevada.

GT Group Telecom Services (USA) Corp. is a corporation organized and existing under the laws of Nevada.

GT Group Telecom (USA) LLC is a limited liability company formed and existing under the laws of Delaware.

BCE Nexxia Corporation is a corporation organized and existing under the laws of Delaware.

# (c) Correspondence concerning this Application should be sent to:

# For Assignor, Assignee and Transferors

Jean L. Kiddoo
Troy F. Tanner
Grace R. Chiu
Swidler Berlin Shereff Friedman, LLP
3000 K Street NW, Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
JLKiddoo@swidlaw.com (E-Mail)
TFTanner@swidlaw.com (E-Mail)
GRChiu@swidlaw.com (E-Mail)

# with a copy to:

Lin Gentemann
Senior Vice President and General Counsel
360networks Corporation
2401 4th Avenue, 11th Floor
Seattle, WA 98121
(508) 487-0722 (Tel)
(508) 487-0723 (Fax)

#### For Transferee:

Gregory C. Staple
R. Edward Price
Vinson & Elkins L.L.P.
1455 Pennsylvania Avenue, NW
Washington, DC 20004
(202) 639-6744 (Tel)
(202) 639-6604 (Fax)
gstaple@velaw.com (E-Mail)
tprice@velaw.com (E-Mail)

with a copy to:

David C. Kidd, Vice President-Regulatory

Bell Canada

105 Hotel-de-Ville, 6th Floor

Hull, Que. J8X 4H7

Canada

(819) 773-5807 (Tel) (819) 773-6158 (Fax)

(d) GT Corp. holds blanket domestic Section 214 authority, and is authorized to provide facilities-based and resold international services pursuant to Section 214 authority granted in FCC File No. ITC-20000602-00324. BCE Nexxia holds blanket domestic Section 214 authority, and is authorized to provide facilitiesbased and resold international services pursuant to Section 214 authority granted in File No. ITC-214-19981222-00884.

Neither 360networks, GT LLC nor Bell Canada directly hold any Section 214 authority.

# Section 63.18 (Transferee) -

(h) Following the completion of the proposed transactions, the following entities will directly or indirectly own 10% or more of the equity of GT LLC:

Name:

**BCE Nexxia Corporation** 

Address:

1000 de la Gauchetière Ouest, Suite 3700

Montréal, Que. H3B 4Y7

Canada

Citizenship:

U.S.

Principal Business:

Telecommunications

% Equity:

100%

Name:

3522024 Canada Inc.

Address:

1000 de la Gauchetière Ouest, Suite 3700

Montréal, Que. H3B 4Y7

Canada

Citizenship:

Canada

Principal Business:

Telecommunications

% Equity:

100%

Name:

Bell Canada

Address:

1000 de la Gauchetière Ouest, Suite 3700

Montréal, Que. H3B 4Y7

Canada

Citizenship:

Canada

Principal Business:

Telecommunications

% Equity:

100%

Name:

Bell Canada Holdings, Inc.

Address:

1000 de la Gauchetière Ouest, Suite 3700

Montréal, Que. H3B 4Y7

Canada

Citizenship:

Canada

Principal Business:

Holding company

% Equity:

100%

Name:

BCE Inc.

Address:

1000 de la Gauchetière Ouest, Suite 3700

Montréal, Que. H3B 4Y7

Canada

Citizenship:

Canada

Principal Business:

**Telecommunications** 

% Equity:

100%

Other than the foregoing, following the transaction, no other person or entities will directly or indirectly own ten percent (10%) or more of the equity of GT LLC.

As a result of the transaction, GT LLC will have the following interlocking directorates with foreign carriers:

- Linda Caty, Secretary and a director of BCE Nexxia, is also Corporate Secretary of Bell Canada and of Telesat Canada (both telecom service providers in Canada).
- Richard Mannion, Chairman and President of BCE Nexxia, is also Vice President, General Counsel and Corporate Secretary of Bell Mobility Inc. (also a telecom service provider in Canada).
- (i) BCE Nexxia certifies that it is not a foreign carrier. BCE Nexxia has affiliations within the meaning of Section 63.09 of the Commission's rules with foreign carriers. Exhibit B, attached hereto, is a list of BCE Nexxia's foreign affiliations.
- (j) BCE Nexxia certifies that through its control of GT LLC it seeks to provide international telecommunications services to Canada, Brazil, Colombia, and Venezuela, where its ultimate corporate parent, BCE Inc., has a controlling interest in the foreign carriers identified in Exhibit B hereto.
- (k) Canada, Brazil, Colombia and Venezuela are members of the World Trade Organization ("WTO").

(I) BCE Nexxia, through GT LLC, may resell international switched services of unaffiliated U.S. carriers in order to provide telecommunications services to other countries where BCE Nexxia has foreign carrier affiliations.

Insofar as Bell Canada is considered to be dominant with respect to the local exchange sector in certain parts of Canada, BCE Nexxia agrees to have GT LLC be classified as dominant with respect to the U.S.—Canada route, without prejudice to its right to petition for reclassification at a later date. BCE Nexxia also agrees to have GT LLC file quarterly traffic reports pursuant to Section 43.61(c) of the Commission's rules with respect to the U.S.-Canada route.

GT LLC is entitled to be treated as non-dominant pursuant to Section 63.10(a)(3) on all of the other routes on which it will become affiliated with foreign carriers. More specifically, as regards Brazil, the affiliated carriers Telesat Brasil Limitada and Telesat Serviços de Telecomunicação S.A., are competitive satellite carriers and lack 50 percent market share in the international transport and local access markets in Brazil. In Venezuela, the affiliated carrier is Genesis Telecom, C.A., which is purely a domestic broadband wireless provider and has far less than a 50 percent share of the local access market. Likewise, in Colombia, the affiliated carrier, Anik Colombia, a satellite carrier, also has less than a 50 percent share of the international transport and local access markets in Colombia.

- (m) Please refer to Section (l) above.
- (n) BCE Nexxia and GT LLC certify that neither has agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's rules, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and neither will enter into such agreements in the future.
- (o) The Applicants certify pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301.
- (p) The Applicants submit that this Application qualifies for streamlined processing pursuant to Section 63.12(c)(1)(v) of the Commission's rules, 47 C.F.R. §63.12(c)(1)(v). Although the transferee, BCE Nexxia, is affiliated with Bell Canada, which is an incumbent local exchange carrier in Canada and therefore presumed to possess market power, Canada is a WTO Member country and BCE Nexxia agrees to have GT LLC be classified as a dominant carrier on the U.S.-Canada route, without prejudice to its right to petition for reclassification at a later date. Pursuant to Section 63.12(c)(1)(ii) of the Commission's rules and as set forth in paragraph (1) above, post-closing GT LLC will qualify for a

presumption of non-dominance under Section 63.10(a)(3) of the Commission rules with respect to its other foreign affiliations.

# V. ADDITIONAL INFORMATION REQUIRED UNDER SECTION 63.04(b)

In lieu of an attachment, pursuant to Section 63.04(b) of the Commission's rules, the Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth under paragraphs (a)(6) through (a)(12) of Section 63.04.

- (a)(6) A description of the proposed Transactions is set forth in Section II. above.
- (a)(7) The assets that are subject to this application are located in Connecticut, Illinois, Indiana, Maine, Massachusetts, Michigan, Minnesota, Montana, New York, Rhode Island, Washington, Wisconsin. These facilities are primarily used for international cross-border services between the United States and Canada, although GT Corp. does provide a de minimis amount of domestic interstate services between POPs in New York, Massachusetts, Michigan, Illinois, Minnesota, Montana and Washington. BCE Nexxia provides domestic interstate and intrastate services in California, Florida, Georgia, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Texas, Virginia, and Washington; the company provides domestic interstate services in the District of Columbia.
- (a)(8) This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions: (1) the Applicants and their Affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) the Applicants and their Affiliates do not provide U.S. local exchange services; and (3) none of the Applicants or their Affiliates are dominant with respect to any U.S. domestic service.
- (a)(9) Through this Application, the Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Section 63.04(b) of the Commission's rules). No other applications are being filed with the Commission with respect to this transaction.
- (a)(10) Not applicable.
- (a)(11) Not applicable.

<sup>&</sup>lt;sup>8</sup> 47 C.F.R. § 63.04(b).

(a)(12) A statement showing how grant of this Application will serve the public interest, convenience and necessity is provided in Section III. above.

#### VI. CONCLUSION

For the reasons stated above, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. The Applicants respectfully request expedited treatment to permit the Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,

Gregory C Staple

R. Edward Price

Vinson & Elkins L.L.P.

1455 Pennsylvania Avenue, NW

Washington, DC 20004

(202) 639-6500 (Tel)

(202) 639-6604 (Fax)

Dated: August 18, 2004

Counsel for BCE Nexxia Corporation

Jean L. Kiddoo

Troy F. Tanner

Grace R. Chiu

Swidler Berlin Shereff Friedman, LLP

3000 K Street, Suite 300

Washington, DC 20007

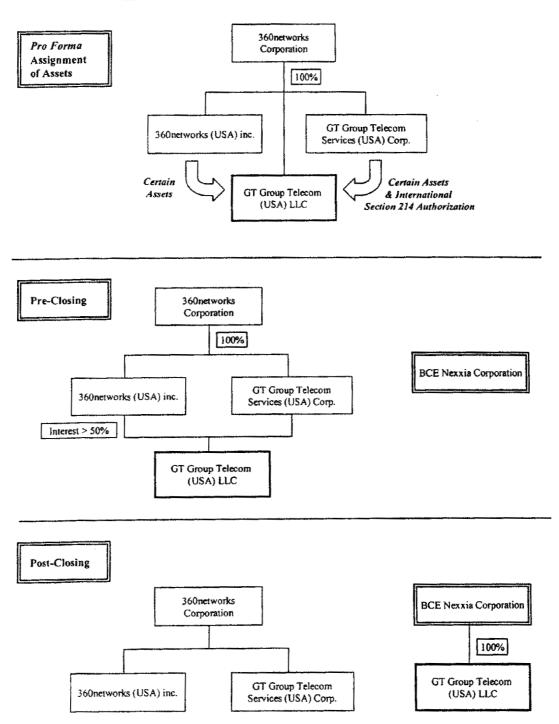
(202) 424-7500 (Tel)

(202) 424-7645 (Fax)

Counsel for 360networks (USA) inc., GT Group Telecom Services (USA) Corp., and GT Group Telecom (USA) LLC

# **EXHIBIT A**

#### ILLUSTRATIVE CHART OF PROPOSED TRANSACTIONS



# EXHIBIT B

# Foreign Affiliations of BCE Nexxia Corporation

Company	Description of Service	Jurisdiction of Incorporation	Area of Operation
Accutel Conferencing Systems Inc.	Provides teleconferencing services for voice and video	Ontario, Canada	Canada
Aliant Telecom Inc.	Provides local, long distance, international, wireless and high- speed data services	Canada	Canada
Anik Colombia	Provides satellite services	Colombia	Columbia
ARDICOM Digital Communications Inc.	Reseller of digital services	Canada	Canada
BCE Conferia Inc.	Provides teleconferencing services for voice and video	Ontario, Canada	United States
Bell Canada	Provides local, long distance, and international voice and data services	Canada	Canada
Bell Conferia Inc.	Provides teleconferencing services for voice and video	Ontario, Canada	Canada
Bell Mobility Inc.	Provides cellular and PCS services	Canada	Canada
Bell West Inc.	Provides local and long distance voice and data services	Canada	Canada
Genesis Telecom, C.A.	Provides broadband wireless services	Venezuela	Venezuela
Infosat Communications, Inc.	Reseller of satellite services	Canada	Canada
Mobile Satellite Ventures (Canada) Inc.	Provides satellite services	Ontario, Canada	Canada
MT&T Mobility Inc.	Provides cellular, PCS, and international telecommunications services	Canada	Canada
Northern Telephone Advanced Communication Inc.	Reseller of data services	Ontario, Canada	Canada
NorthernTel Limited Partnership	Provides local, long distance, wireless and high-speed data services	Québec, Canada	Canada
Northwestel Inc.	Provides local and long distance services	Canada	Canada
Northwestel Mobility Inc.	Provides wireless services	Canada	Canada

Télébec, société en commandite	Provides local, long distance, wireless and high-speed data services	Québec, Canada	Canada
Telesat Brasil Limitada	Provides satellite services	Brazil	Brazil
Telesat Canada	Provides satellite services	Canada	North/South America
Telesat Serviços de Telecomunicação S.A.	Provides telecommunications services	Brazil	Brazil

# **CERTIFICATIONS**

#### CERTIFICATION

I, David C. Kidd, Vice President-Regulatory, Bell Canada, hereby certify that I am authorized to make this Certification on behalf of Transferee, BCE Nexxia Corporation, in the foregoing application, that the information in the application as it pertains to Transferee is true and accurate to the best of my knowledge, and I further so certify, pursuant to Section 1.2001 through 1.2003 of the Commission's rules, that Transferee (including all officers and directors and persons holding a 5% or greater stock interest) is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

David C. Kidd

Date: August 17, 2004

#### CERTIFICATION

I, Lin Gentemann, General Counsel of 360networks Corporation, hereby certify that I am authorized to make this Certification on behalf of its wholly owned subsidiaries, 360networks (USA) inc., GT Group Telecom Services (USA) Corp., and GT Group Telecom (USA) LLC, respectively, the Transferor, the Assignor, and the Assignee in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Transferor, the Assignor, and the Assignee is true and accurate to the best of my knowledge, and that neither the Transferor, the Assignor nor the Assignee is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

Lin Gentemann General Counsel

360networks Corporation

Date: August 17, 2004